(c) whether the Government propose to increase the number of Export Promotion Zones in the country particularly in Gujarat keeping in view of its abundant potential for exports; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The seven Export Processing Zones (EPZs) functioning in the country are located at Bombay (Maharashtra), Kandla (Gujarat), Noida (U.P.), Madras (Tamil Nadu), Cochin (Kerala), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh).

(b) State-wise data on exports is not maintained.

(c) and (d) An Export Processing Zone is functioning at Kandla (Gujarat) keeping in view the availability of funds and the need to optimise the infrastructural facilities in the existing Export Processing Zones, there is no proposal at present for the Central Government to set up new Zones in the country. However, Export Processing Zones can now be established by State Government or in joint/private sector. One such private EPZ has been approved for establishment at Surat.

Indian Stock Market

3242. SHRI UTTAM SINGH PAWAR : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received any report in the context of the small investors having lost faith in the Indian Stock Market;

(b) if so, the details thereof; and

(c) the action proposed to be taken thereon specially against the merchant bankers who induced entrepreneurs with or without track record, to tap the market with high premia ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Securities and Exchange Board of India (SEBI) received a research report from J.M. Share and Stock Brokers Ltd. in October, 1996. The study was done on 2012 companies which came out with public issues during the period April, 1994-March, 1996. The major finding of the study was that the investors in the primary market have suffered substantial losses on account of decline in the prices of shares as compared to the issue price and price on listing of stock exchanges.

(c) According to the SEBI guidelines for disclosure and investor protection, any company proposing to access the primary capital market with an initial public offering should necessarily have either a three year dividend paying track record or have its project appraised and funded upto 10 per cent of the project cost by financial institutions/ scheduled commercial banks. In case of premium issues the promoters are required to justify the premium in the offer documents. SEBI ensures relevant disclosures in the offer document including risk factors so as to enable the investors to make informed investment decisions. Further, SEBI initiates action against the merchant bankers for not exercising the diligence while managing the public or right issues. In cases of violation of SEBI's regulations, SEBI has allowed the investors to withdraw their applications, ordered withdrawal of acknowledgement cards and such issues were not allowed to enter the market.

Public Sector Undertakings

3243. SHRI N.K. PREMCHANDRAN : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are aware that the frequent remission of excise duty has been adversely affected the public sector units;

(b) if so, the extent to which affected and the public sector units which suffered the worst for the last three years; and

(c) the remedial measures proposed to be taken by the Government to overcome such contingencies ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c) Any change in excise duty will have uniform impact on industries both in Public and Private Sectors.

Companies Vanished After Raising Money Through Public Issues

3244. SHRI MOHAN RAWALE :
SHRI TARIQ ANWAR :
SHRI I.D. SWAMI:
SHRI JAI PRAKASH (HARDOI):

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that several companies vanish after raising money from the public;

(b) if so, the details thereof for the last three years;

(c) whether the Government have any machinery for monitoring utilisation of issue funds and for ascertaining if the companies exist after they have made public issues;

(d) if so, the details thereof;

(e) if not, the reasons therefor; and

(f) the reaction of the Government in regard thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) According to a study conducted by SEBI for the year 1994-95, most of the companies that raised money from the public are in existence. The study revealed that out of 382 companies which came out with premium issues in 1994-95, 2 companies have not been listed and the monies have been refunded to the public. Of the remaining 380, 377 are trading. SEBI has written to Department of Company Affairs (DCA) for further verification.